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Global (In-)Security

Symbiotic Interactions

On the Connection Between Drug-Trafficking, the Legal Economy and State Power in Brazil

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The illegal drug trade in Brazil might not be as separated from the world of state power as one would like to believe. Rather, based on historical developments, a significant number of socio-politically entrenched, symbiotic interactions can be traced between the two. A focus on four aspects of this relationship illustrates how both sides seem to benefit from this arrangement.

Introduction

One of the most well-propagated myths regarding the practices of so-called organised crime groups in developing countries is the alleged existence of "parallel states" within the constituted states. This evaluation follows at least two analytical flaws. The first one derives from superficial or generalising statements on the territorial, economic, social, political and cultural influence or power of illegal gangs and groups. These accounts do not consider how material resources, scope, dimensions and actual capabilities to engage with political institutions and local economy vary. Such variations depend on a series of elements: the type of political regime in a particular country; the influence of powerful countries' foreign strategies (such as the US 'war on drugs') on a given developing country government; the fact of being a major producing region of a certain kind of illegal commodity; or, otherwise, the fact of being 'transit territory' for illegal goods towards consumer countries, among other particularities.

The second problem is one of a political and economic nature. If one merely accepts the existence of different spaces of sovereignty within a country, the analysis fails to make sense of how the illegal groups have emerged; how they have spread their influence over some parts of the country, or sometimes over parts of cities; how they relate to the legal and illegal economy; how they connect to political institutions, such as the state's bureaucracy, the armed forces, police forces, and political parties; and, finally, how 'organised crime groups' establish relationships both of collaboration and repression with local communities.

I claim, instead, that 'organised crime groups', the legal economy and political institutions establish a *symbiotic connection* and not a parallel or even necessarily competitive type of relationship. To be analytically coherent, it is mandatory not to universalise this assumption, assuming a global standard for this *symbiotic connection*. For that reason, this paper proposes a study that focusses upon the Brazilian case, with some punctual comparisons with other Latin American countries (such as Colombia and Mexico), given the formation and transformations of the drug-trafficking economy in the country since the late 1970s until the present day. Firstly, we are going to clarify some important conceptual aspects regarding the illegal economy and its organisations. Secondly, we are going to apply the proposed analytical framework to the Brazilian case in order to encourage further studies on Brazil's drug-trafficking dynamics, and to garner possible clues to understand how symbiotic connections could operate in other countries and continents.

Symbiosis: The Illegal Economy and the Legal Authorities

The historian Charles Tilly compares the emergence of the European nation-states, between the 14th and 16th centuries, to the mode of how mafias operate.[1] According to Tilly, a state is, in its most vertebral nature, an institution that provides security in exchange for an amount of money, threatening to use coercive force to punish those who harm or wish to harm another's life or property: the basic "service" every single mafia offers to a given population. To be respected, such an organisation must have the

credible ability to use force, and to collect part of social wealth in order to sustain its activities. This is, in other words, the essence of sovereign authority, i.e. the capability to establish rules, to enforce these rules, to fight emergent concurrent forces, to control a given territory and its population, and to confiscate part of the economic production.

Following Michel Foucault's[2] analysis on the same subject, the centralisation of political authority in the hands of a group (a political and economic elite) is a violent process of centralisation of political and economic power. The solemnity and legitimacy of state institutions was established alongside the victories of certain forces over others: when philosophers, historians, painters, sculptors, theologians and men of law developed theories and aesthetics dedicated to offer divinity or civil acceptation to the authority of a king or an aristocracy.

Later, after the liberal revolutions of the 18th century, and the deep economic and demographic transformations produced by the Industrial Revolution, the nation-state model would add other political elements to the first generation of "protection-centric" activities. According to Foucault's research on that particular historical period, the "art of governing" increased populations and accelerated the production and circulation of goods. It also focussed upon people's general quality of health, hygiene of cities, levels of education, capacitation for industrial work, general order and discipline of the poorest, and other practices which he named the "biopolitics of population", i.e. the politics of governing both the individual and collective body and life (*bios*) of a given society.

The expansion of industrial capitalism – considering the accumulation of wealth during European naval and colonial expansion between the 15th and the 17th centuries, as well as 19th century imperialism in Africa, Asia and Oceania – took place in a twilight zone in-between legal and illegal practice. These practices included: piracy and human trafficking (slavery and economic migration); the contraband of goods; the collection and the unlawful collection of taxes; colonial conquering and the genocide of numberless peoples; the following destruction of many ecosystems. The global economy that emerged in the 19th century would not have been possible without the symbiosis between legal and illegal activities, both from private actors (companies, banks, individuals) and states (violation of international conventions, support to some economic sectors, warfare in the name of economic and geopolitical interests, etc.).[3] In sum, neither the nation-state nor the contemporary capitalist global economy would be possible without the existence of this symbiotic connection between the legal and the illegal.

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Regarding the subject of this paper, the beginning of the 20th century witnessed the emergence of a new and powerful chapter of this symbiotic connection when a set of psychoactive drugs were prohibited in a growing number of countries. Until the 1910s and 1920s, drugs such as cocaine and heroin were produced, sold and used legally, worldwide. Important pharmaceutical companies, of mainly European and American origin, fabricated and commercialised drugs in a global economy, which integrated regions and countries where the raw materials were produced (such as the Andean region for the coca leaf, and India and Turkey for poppy cultivation) with the countries where these substances were processed, sold and consumed (such as the US, England, Holland and Germany).

However, a quick and broad process of control and/or prohibition of the free production, selling and use of some drugs then occurred. This followed a number of international conferences, in which countries such as the US, Brazil, France, and China, among many others, demanded the

In the crossfire: The fractioning of drug-trafficking in Rio led to an increasing level of violence among the different drug-trafficking organisations in order to control the most strategic favelas. Source: © Ricardo Moraes, Reuters.

reduction or complete suspension of the economy and social habits centred around drugs like cocaine, heroin and marihuana[4]. The diplomatic delegations expressed the views of a complex combination of conservative lobby and pressure groups (religious denominations, evolutionist hygienists), as well as the varied concerns surrounding national biopolitical problems, regarding the control and government of an increasing urban proletarian population both in the North (the US and Europe) and in the South (Mexico, Brazil, Argentina, and China, among others).

The celebration of international conventions, the subsequent adaptation of national legislations, and the inclusion of drug controlling into the universe of the international community (first in the League of Nations, and after 1945, in the United Nations) globalised the prohibitionist legal framework. This aimed at the complete halt of the production, selling and use of some drugs (such as cocaine, heroin and marihuana), while limiting the market for others (such as morphine and amphetamines). Nevertheless, the radical goal of Drug Prohibitionism has never been accomplished, despite the many reforms into the international regime of drug regulation, and despite the effort led by the United States, since the late 1960s, towards the securitisation of the illegal drug economy.

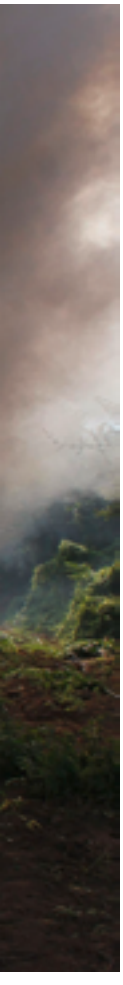
As the history of Alcohol Prohibition in the US (between 1920 and 1933) teaches us, the goal of total suppression of selective parts of the psychoactive economy produces a potent illegal market, conducted by criminal groups which collude with state agents (policemen, judges,

the military, elected representatives, mayors, city councillors, etc.) which are coopted by a combination of bribery and threat. Such criminal groups also establish local bases where they operate. In producing areas, the illegal organisations connect themselves with local farmers, which are, in general poor people to whom the illegal economy offers better remuneration than that of legal crops. Clandestine laboratories hidden in remote regions also gather people seeking better economic opportunities. In urban areas where illegal drugs are sold, gangs and local drug-trafficking organisations (DTOs) receive the illegal substances delivered by gross DTOs and prepare them (mainly by adulteration) for the final buyer. There are many other DTOs and mafias of various provenances (such as the Italian Cosanostra, the Nigerian mafia, the Russian mafyas and the Chinese Triades), some with enough power to control international routes, border checkpoints, as well as port and airport facilities. Such groups have the capacity to distribute drugs internationally, accumulating economic power and political influence in order to manage their business.

The global illegal drug economy is a free market in which groups celebrate alliances, or fight one

Burning drugs: There would not be such a gigantic global illegal economy surrounding some psychoactive drugs were they not prohibited. Source: © Tomas Bravo, Reuters.

another, depending on the context. According to Sarmiento's and Krauthausen's[5] model, there are bigger chances of violent confrontation in the consumer flank, where the number of illegal groups tends to be higher, and the competition for the market generates cruder disputes for territories and clients. The case of Mexico is singular, since its congruity to the most important world market, the US, put its DTOs in a position to violently compete for territories within the country. Such territories are used to produce raw material (poppy and marihuana), establish laboratories for drug refinement (methamphetamines, heroin, cocaine), control ports to receive drugs and synthetic precursors, and, finally, control passages (tunnels, submarines, boats, etc.) across the Mexico-US border.[6]



It is possible, therefore, to notice transterritorial connections between producing areas, routes of illicit flows, and urban spaces occupied by local DTOs. In each one of these territories it is possible to identify a certain degree of articulation among and between criminal groups, the local population, local authorities, private entities, etc. The force and wealth of this illegal economy draws people and institutions in by means of economic seduction, fear, violence, threats, and offers of social support (healthcare, pensions, entertainment facilities, sports centres, etc.). The control over territory and the population is important for any mafia or DTO as a means to keep safe havens for their operations and their survival and reproduction. They form *enclaves* of authority within a given sovereign state in which the state forces and institutions cannot operate, or are able to do so only after the criminal heads' clearance. Remembering Tilly's and Foucault's arguments, we can see how DTO enclaves function following a state-like model, since the state itself has a mafia-like historical DNA. However, to say this is not the same as to acknowledge the existence of a "parallel state" within the legal state.

In the next section, we shall indicate four aspects of the symbiotic connection in the drug-trafficking economy, focussing upon the Brazilian context.

1. The business attains its success from the drug prohibition: there would not be such a gigantic global illegal economy surrounding some psychoactive drugs if they were not prohibited. Healthcare professionals, psychiatrists and social workers have recognised, since the 1980s, that the mere existence of laws against the production, selling and usage of some drugs do not suffice to diminish the voracity for those substances. In econometric terms, the demand for psychoactive drugs is inelastic, i.e. it obeys a logic related to individual idiosyncrasies and the social collective process in some ghettos or circles of society, among other elements. Besides that, for some substances, such as the opioids, there is the most significant stimulus driven by psycho-physical addiction. For that reason, securitised strategies towards the increase of wholesale prices of illegal drugs do not reach the desired goals of a decrease in consumption, but instead open windows of opportunity for more dangerous and adulterated drugs to be brought to the market. In sum, Drug Prohibition creates a strong illicit market without diminishing the demand for those drugs: this is the first symbiotic connection between illegality and the existence of drug-trafficking.

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2. Some drug-dealers may be rich and famous, but none of them "free": a well-off drug-dealer is a rare figure. We know the most famous, notorious or quaint of them, such as Pablo Escobar Gaviria and Joaquín "El Chapo" Guzmán. They became myths and characters fit for television series, books and movies. However, they are the exception. The vast majority of the people involved in the drug-trafficking economy are poor, under-educated, inhabitants of slums, with low life expectancy. They are the

people who kill and are killed every single day in the streets of the American continent. These drug-dealers do not have access to the global interconnected financial mazes and networks of electronic money transfers and off-shore havens. The poor drug-dealers are responsible for small fractions of a transterritorial business over which they have neither knowledge nor control.

They are constantly combating police forces, the military or gang rivals trying to defend their own territories, or to expand them by conquering new ones from the competition. They are, in fact, young men and women with no concrete opportunities in the legal economy who find a way to live through the drug-trafficking way of life. They cannot come out of their controlled slums and neighbourhoods without great risk of being arrested and murdered. They are confined to some territories and established contacts with the "exterior" through a network of lawyers, civilian supports, and corrupt state agents, such as policemen (from whom they usually buy guns, machine-guns, ammunition, grenades and other equipment). This is the most simple and lowest level symbiotic connection between legal and illegal activities: poor drug-dealers negotiating weapons and some privileges with under-paid and under-trained police and military soldiers. Sometimes, a well-known drug lord, such as "El Chapo" Guzmán is arrested, extradited, and convicted, but they are the exception that confirms the rule. There is also inequality in the world of drug-trafficking: the "big fish" do not live in favelas but operate complex financial transactions from fancy neighbourhoods around the globe, exposing the symbiotic connection between the illegal money from the drug trade and the legal or barely legal activities in the world of global finance.

3. The "Drug Enclaves" do not defy state power as a whole: in countries such as Brazil, Colombia and Mexico it is possible to identify several regions in rural and urban areas ruled by DTOs. In those areas, as mentioned above, the illegal organisations reproduce the state-like type of government, providing services while punishing misdemeanours. Nevertheless, it would be an exaggeration, in Latin America, to ascribe to these DTOs and their enclaves any kind of traditional political claim for political sovereignty. In general, what occurs is quite the opposite: through bribery and unofficial agreements between DTOs and state representatives, the illegal groups seek to establish a balance of power with state forces – and sometimes among the DTOs themselves – dividing zones of influence and markets in order to provide maximum profits with minimum necessary confrontation. In sum, both a 'war against the cartels' and 'wars among the cartels' serve to bring more losses (of life, goods, security for the bosses and their families, as well as their legal /money laundering investments, etc.).

Display of horror: The exhibition of their victims' bodies is a typical drug cartel practice. Source: © Reuters.

Characters such as Pablo Escobar, who directly defied the Colombian state and the drug lords from the Cali Cartel, spreading a pseudo-ideological and nationalistic rhetoric are exceptions. They invariably attract the attention and special repressive efforts of the state, and are subsequently destroyed, while the illegal economy of drug-trafficking prospers. The most powerful drug *capo* does not have fire power to withstand focussed attacks from military forces (especially when supported by US military training and technological consultancy).

Labrousse and Koutouzis[7] proposed a typology to measure the relationship between DTOs and state structures. They distinguished between "Official Narcocracies" and "Unofficial Narcocracies". The former would be the rarer case, in which high governmental staff – including the president and his/her ministries – would be directly involved with drug-trafficking. General Hugo Bánzer's dictatorship in Bolivia (1980-1983) and the current Guinea-Bissau situation are examples of this case. The latter case would occur when high governmental figures have involvement in the drug trade, but the official discourse is nonetheless aligned to the global "war on drugs". This would be the case of Paraguay, Mexico and Myanmar. Nonetheless, both official and unofficial narcocracies are the exception, not the norm. In general, DTO bosses do want to influence the political

environment – from the local to the national level – but not by seizing power. The shadow of illegality is more convenient and lucrative. Their intention is to keep the symbiotic connection that impulses their illegal transactions.

4. DTOs are usually born inside the prison system and have made of it their castle: the *Salvadoreñas Maras* gangs, both in the US and in El Salvador, the commandos in Brazil, the *cartels* in Colombia and Mexico were born within a space of direct connection between the prison systems and the urban areas controlled by the same groups who are imprisoned. The gangs virtually control and govern the prison facilities, even holding negotiations with the prison's directors and the governmental security authorities. Inside the prisons, the DTOs create laws of conduct and enforce them with an iron fist. Contact with the exterior world is facilitated by the illegal use of mobile phones and computers, as well as through communication with attorneys and family members. If some internal governmental decision or action outside the prison walls bothers the capos, violent protests arise. These usually include the destruction of pavilions and the invasion of rival areas provoking multiple assassinations by mutilation, and the subsequent grotesque exhibition of body parts, such as arms and heads. The arrested leaders are, in general, able to maintain control over outside activities, conducted by "lieu-tenants" who are still in charge in the *barrios*, *comunas* or favelas.

In Brazil, for example, the beginning of drug-trafficking activities, in the early 1980s, was related to the formation of a group called *Comando Vermelho* (Red Commando) born in a super-max prison on an island nearby Rio de Janeiro. The history of the Red Commando is emblematic, since it originates from the contact established between bank robbers and kidnappers on the one hand, and leftist guerrilla members who were arrested during the 1970s, while fighting the dictatorship (1964-1985), on the other. These two groups were charged and convicted with the same crime, since the *guerrilleros* used to assault banks and kidnap businessmen and foreign diplomats in order to gather money for their cause and to call for national and international attention. During the period of coexistence in that prison, knowledge was shared between the two groups, especially regarding tactics and urban guerrilla.

When the transition to democracy began, after 1977, the leftist inmates started being released, while the poor (and mainly black) non-politicised inmates remained imprisoned. In order to survive in a very hostile environment, marked by disputes amongst gangs, those prisoners used the organisational skills they had learnt from the *guerrilleros*, and violently controlled the super-max facility. Because of their contacts with the communist militants, the new gang was named "red commando" by the prison authorities. Not so much time later, the Red Commando (or CV, in the Portuguese acronym) had infiltrated many of Rio's slums (favelas), combining a social rhetoric and assistencialist practices towards the impoverished population with illegal activities, such as robbery and kidnapping. It was the beginning of the 1980s, and the flourishing economy of Andean cocaine attracted the new CV leadership. The group started distributing Andean cocaine for the Brazilian market and – in cooperation with European mafias, and later African DTOs – began facilitating the passage of cocaine through Africa towards the European market.[8]

Between the 1980s and 1990s, new drug-trafficking organisations and markets emerged.

From the late 1980s until the late 1990s dissidences within the CV gave rise to new organisations, such as the Third Commando (*Terceiro Comando*) and the Friend's Friends (*Amigos dos Amigos,* ADA). The fractioning of drug-trafficking in Rio led to an increased level of violence among the DTOs in order to control the most strategic favelas, the most interesting local

markets, and the most profitable contacts, with Peruvian and Colombian drug-traffickers, as well with European and African mafias.

In 1993, within the São Paulo state prison system, another group was formed: the *Primeiro Comando da Capital* (the Capital City's First Commando, or PCC in the Portuguese acronym). In their first moments, the PCC presented similarities with the first years of CV activities in Rio. They published manifestos in defence of inmate rights and started ruling the inside life of facilities under their control, punishing acts of violence, such as rape and robbery amongst prisoners.[9] The PCC, however, gradually expanded its influence over the São Paulo prison system, as well as the São Paulo favelas and poor periphery neighbourhoods. At the turn of the 21st century, the PCC had already gained control over the entire São Paulo prison system, as well established a form of *pax criminalis* in the previously violent poorest neighbourhoods of the city.

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In 2006, the PCC demonstrated its power when it undertook a coordinated series of attacks against policemen, fire-fighters and other members of security forces, while simultaneously taking control of several prison facilities across the state. They wanted to avoid the isolation of their leader, Marcos "Marcola" Camacho, in a super-max prison. The state government threatened, and then accepted their demands. Since then, the PCC has established connections with European criminal organisations, as well direct contacts with Andean DTOs. In 2016, they brokered an alliance with the CV, and have initiated an ambitious project with the goal of controlling all organised crime in country. They intend to do this by making alliances with local gangs in the North and Northeastern regions of Brazil, and by invading Rio de Janeiro after celebrating a cooperation agreement with ADA. Rio de Janeiro has been in turmoil since then, which announces the possible beginning of a new phase in the history of Brazilian organised crime, power and influence.

Final Remarks

Since July 2017, Rio de Janeiro has been under military intervention. The state's governor formally asked for the presence of federal troops, assuming the incapacity of the two branches of local police (the Civilian Police and the Military Police) to cope with the "drug war" in the city. The Ministry of Defence promptly deployed Army and Marine troops to occupy avenues, streets and to siege favelas controlled by DTOs, especially the ones under CV rule. This situation was further intensified when, in January 2018, the state government gave up its functions of public safety, and an actual military intervention started in Rio. The secretary of public safety was substituted by an Army General and troops arrived to support police activities in the capital city and the whole state.

The mass media stressed the "chaos" in Rio, comparing the state to a failed country, unable to rule itself. This situation opens a new panorama for the security analysis on Brazilian organised crime, since it follows the expansion of a mafia-like group – the PCC – and the subsequent militarisation of public safety, which affects primarily the "old" and "less professional" commandos. The fight for the control of drug-trafficking and other illegal activities occurs simultaneously in the favelas, peripheral neighbourhoods, and behind prison bars. We may be witnessing the emergence of a new kind of symbiotic connection between organised crime groups, the military, and police state forces, – not forgetting the local organisations, NGOs and think tanks that operate in areas under violent dispute. Drug policy reform in Brazil is, however, stifled by conservative opposition, and not given priority, the focus being on other issues of political instability that have been affecting the country. The traditional patterns of "criminalisation of poverty" – which

articulate racist punitivism, police violence and mass incarceration – remain firm and immovable, while the numbers of homicides grow by each year. The notion of symbiotic connections could be useful to avoid the questionable concept of a "weak state", at least when talking about complex and highly institutionalised societies such as Brazil (and most of the Latin Americans). The important message, finally, is to critically face the idea of a "parallel power" when talking about organised crime, and, in particular, drug-trafficking in Latin America. This analytical displacement would allow us to see the problem from another angle and, by doing so, propose better-informed actions that could have a real impact for the most vulnerable parts of societies, worldwide.

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3 Cf. Andreas, Peter 2013: Smuggler Nation: How Illicit Trade Made America, Oxford.
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5 Cf. Sarmiento, Luis / Krauthausen, Ciro 1990: Cocaína & Co.: Un mercado ilegal por dentro, Bogotá.
6 Cf. Rodrigues, Thiago / Kalil, Mariana / Zepeda, Roberto / Rosen, David 2017: Warzone Acapulco: Urban Drug-Trafficking in the Americas, in: Contexto Internacional 39:3, pp. 609–631.
7 Cf. Labrousse, Alain / Koutouzis, Michael 1998: Géopolique et Géostratégies des Drogues, Brussels.
8 Cf. Hermann, Isabella 2017: Ominous Alliances: On the Correlation between Statehood, International Cocaine Trading and Islamist Terrorism in West Africa, International Reports, 2/2017, in: http://kas.de/wf/en/33.49532 [31 May 2018].
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